HTL INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Singapore)
(Registration Number: 198904162H)

Financial Statements Announcement

For the Year Ended

31 December 2013

CONTENTS **Page**

1. CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 31 December 2013 ("FY 2013")

	Notes	The Group 3 months ended 31 Dec 2013 US$'000	2012 US$'000	Change %	The Group 12 months ended 31 Dec 2013 US$'000	2012 US$'000	Change %
Revenue		**140,059**	**137,904**	1.6	**534,265**	**583,305**	**(8.4)**
Cost of sales		(97,128)	(95,253)	2.0	(367,083)	(393,926)	(6.8)
Gross profit		**42,931**	**42,651**	0.7	**167,182**	**189,379**	**(11.7)**
Other operating income		2,963	2,227	33.0	10,821	9,299	16.4
Sales, marketing and distribution expenses		(32,992)	(32,466)	1.6	(131,482)	(145,087)	(9.4)
Administrative expenses		(7,866)	(10,118)	(22.3)	(34,246)	(35,969)	(4.8)
Other operating expenses		(283)	(216)	31.0	(1,798)	(692)	159.8
Operating profit before finance income and expense and net foreign exchange (loss)/gain	5A	**4,753**	**2,078**	128.7	**10,477**	**16,930**	(38.1)
Finance income		65	54	20.4	235	652	(64.0)
Finance expense		(725)	(1,207)	(39.9)	(3,590)	(4,416)	(18.7)
Operating profit before net foreign exchange (loss)/gain		**4,093**	**925**	342.5	**7,122**	**13,166**	(45.9)
Net foreign exchange (loss)/gain*		(2,025)	296	NM	(2,472)	1,133	NM
Profit before tax		**2,068**	**1,221**	69.4	**4,650**	**14,299**	(67.5)
Income tax expense	5C	(1,562)	(447)	249.4	(3,892)	(6,494)	(40.1)
Net profit for the period/year		**506**	**774**	(34.6)	**758**	**7,805**	(90.3)
Attributable to:							
Owners of the Company		492	748	(34.2)	685	7,660	(91.1)
Non-controlling interest		14	26	(46.2)	73	145	(49.7)
		506	**774**		**758**	**7,805**	
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME							
Net profit for the period/year		**506**	**774**	(34.6)	**758**	**7,805**	(90.3)
Other comprehensive income:							
Item that may be reclassified subsequently to income statement:							
Foreign currency translation arising from consolidation		522	97	438.1	2,517	(397)	NM
Total comprehensive income for the period/year		**1,028**	**871**		**3,275**	**7,408**	
Attributable to:							
Owners of the Company		1,037	888	16.8	3,268	7,330	(55.4)
Non-controlling interest		(9)	(17)	(47.1)	7	78	(91.0)
		1,028	**871**		**3,275**	**7,408**	
Gross profit margin (GP%)		**30.7%**	**30.9%**		**31.3%**	**32.5%**	
Net profit margin		**0.4%**	**0.6%**		**0.1%**	**1.3%**	
EBITDA		**4,615**	**4,844**		**16,331**	**27,660**	
EBITDA before net foreign exchange (loss)/gain		**6,640**	**4,548**		**18,803**	**26,527**	
EBITDA margin		**3.3%**	**3.5%**		**3.1%**	**4.7%**	
EBITDA margin before net foreign exchange (loss)/gain		**4.7%**	**3.3%**		**3.5%**	**4.5%**	

NM : Not meaningful

	The Group 3 months ended 31 Dec 2013 US$'000	2012 US$'000	The Group 12 months ended 31 Dec 2013 US$'000	2012 US$'000
Net foreign exchange (loss)/gain comprises:				
Realised foreign exchange gain/(loss)	416	(1,222)	1,179	3,649
Unrealised foreign exchange (loss)/gain	(1,714)	988	(3,359)	1,486
Net fair value (loss)/gain on derivative financial instruments [1]	(727)	530	(292)	(4,002)
Total net foreign exchange (loss)/gain*	**(2,025)**	**296**	**(2,472)**	**1,133**

Note:

1. *These fair value adjustments are unrealised and non-cash in nature.*

2. BALANCE SHEETS

	Notes	The Group 31 Dec 2013 US$'000	The Group 31 Dec 2012 US$'000	The Company 31 Dec 2013 US$'000	The Company 31 Dec 2012 US$'000
Current assets					
Cash and short-term deposits		70,801	76,679	9	7
Trade and other receivables		66,009	62,778	4,700	8,673
Inventories	5D	154,783	206,167	-	-
Tax recoverable		406	392	-	-
Deposits		5,213	4,946	2,534	2,534
Prepayments		6,053	7,425	-	-
		303,265	**358,387**	**7,243**	**11,214**
Non-current assets					
Investments in subsidiaries	5E	-	-	107,640	134,154
Advances to a subsidiary		-	-	8,914	10,396
Property, plant and equipment		43,698	48,999	-	-
Intangible assets	5F	10,436	10,703	-	-
Deferred tax assets		5,287	5,789	-	-
Other receivables		1,602	2,194	-	-
		61,023	**67,685**	**116,554**	**144,550**
Total assets		**364,288**	**426,072**	**123,797**	**155,764**
Current liabilities					
Trade and other payables		83,975	86,364	3,994	4,100
Current income tax liabilities		1,224	1,705	-	-
Derivative financial instruments	(i)	2,038	1,747	-	-
Loans and borrowings	5G	94,655	138,313	-	-
Provision for warranty		4,092	4,249	-	-
		185,984	**232,378**	**3,994**	**4,100**
Non-current liabilities					
Loans and borrowings	5G	3,134	20,348	-	-
Deferred tax liabilities		1,370	1,272	1,286	1,272
Advances from a subsidiary		-	-	24,633	23,512
		4,504	**21,620**	**25,919**	**24,784**
Total liabilities		**190,488**	**253,998**	**29,913**	**28,884**
Net assets		**173,800**	**172,074**	**93,884**	**126,880**
Equity attributable to owners of the Company					
Share capital	5H	67,982	67,982	67,982	67,982
Treasury shares	5H	(4,078)	(4,670)	(4,078)	(4,670)
Non-distributable reserves		31,674	29,385	(1,010)	(506)
Retained earnings		77,366	78,528	30,990	64,074
		172,944	171,225	93,884	126,880
Non-controlling interest		856	849	-	-
Total equity		**173,800**	**172,074**	**93,884**	**126,880**
Group net borrowings		**26,988**	**81,982**	**NA**	**NA**
Group net gearing (%)		**15.61**	**47.88**	**NA**	**NA**
Net tangible assets per share (cents)		**40.05**	**39.71**	**23.14**	**31.39**

NA : Not applicable

Note :

(i) This represents fair value arising from the mark to market (MTM) on all outstanding foreign exchange forward contracts/options which are entered into to hedge currency exchange exposure as at the end of each financial period.

3. STATEMENTS OF CHANGES IN EQUITY

Group

	ATTRIBUTABLE TO OWNERS OF THE COMPANY										
	Share capital	Treasury shares	Share option reserve	Asset revaluation reserve	Foreign currency translation reserve	Capital reserve	Statutory reserve fund	Retained earnings	Equity attributable to owners of the company, total	Non-controlling interest	Equity, total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2013	67,982	(4,670)	911	186	18,386	(1,417)	11,319	78,528	171,225	849	172,074
Net (loss)/profit for the quarter	-	-	-	-	-	-	-	(1,888)	(1,888)	30	(1,858)
Other comprehensive loss											
Foreign currency translation arising from consolidation	-	-	-	-	(835)	-	-	-	(835)	(37)	(872)
Total comprehensive loss	-	-	-	-	(835)	-	-	(1,888)	(2,723)	(7)	(2,730)
Treasury shares reissued pursuant to employee share option plan	-	160	-	-	-	(136)	-	-	24	-	24
Balance at 31 March 2013	**67,982**	**(4,510)**	**911**	**186**	**17,551**	**(1,553)**	**11,319**	**76,640**	**168,526**	**842**	**169,368**
Net profit for the quarter	-	-	-	-	-	-	-	1,999	1,999	13	2,012
Other comprehensive income/(loss)											
Foreign currency translation arising from consolidation	-	-	-	-	1,955	-	-	-	1,955	(11)	1,944
Total comprehensive income	-	-	-	-	1,955	-	-	1,999	3,954	2	3,956
Treasury shares reissued pursuant to employee share option plan	-	317	-	-	-	(270)	-	-	47	-	47
Dividends on ordinary shares	-	-	-	-	-	-	-	(1,637)	(1,637)	-	(1,637)
Fair value gain transferred to retained earnings on disposal	-	-	-	(186)	-	-	-	186	-	-	-
	-	317	-	(186)	-	(270)	-	(1,451)	(1,590)	-	(1,590)
Balance at 30 June 2013	**67,982**	**(4,193)**	**911**	**-**	**19,506**	**(1,823)**	**11,319**	**77,188**	**170,890**	**844**	**171,734**
Net profit for the quarter	-	-	-	-	-	-	-	82	82	16	98
Other comprehensive income											
Foreign currency translation arising from consolidation	-	-	-	-	918	-	-	-	918	5	923
Total comprehensive income	-	-	-	-	918	-	-	82	1,000	21	1,021
Treasury shares reissued pursuant to employee share option plan	-	73	-	-	-	(62)	-	-	11	-	11
Balance at 30 September 2013	**67,982**	**(4,120)**	**911**	**-**	**20,424**	**(1,885)**	**11,319**	**77,270**	**171,901**	**865**	**172,766**
Net profit for the quarter	-	-	-	-	-	-	-	492	492	14	506
Other comprehensive income/(loss)											
Foreign currency translation arising from consolidation	-	-	-	-	545	-	-	-	545	(23)	522
Total comprehensive income/(loss)	-	-	-	-	545	-	-	492	1,037	(9)	1,028
Treasury shares reissued pursuant to employee share option plan	-	42	-	-	-	(36)	-	-	6	-	6
Transfer from retained earnings to statutory reserve fund	-	-	-	-	-	-	396	(396)	-	-	-
	-	42	-	-	-	(36)	396	(396)	6	-	6
Balance at 31 December 2013	**67,982**	**(4,078)**	**911**	**-**	**20,969**	**(1,921)**	**11,715**	**77,366**	**172,944**	**856**	**173,800**

3. STATEMENTS OF CHANGES IN EQUITY (Cont'd)

Group (Cont'd)

	ATTRIBUTABLE TO OWNERS OF THE COMPANY										
	Share capital	Treasury shares	Share option reserve	Asset revaluation reserve	Foreign currency translation reserve	Capital reserve	Statutory reserve fund	Retained earnings	Equity attributable to owners of the company, total	Non-controlling interest	Equity, total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2012	67,982	(5,107)	911	186	18,716	(1,045)	10,753	74,645	167,041	771	167,812
Net profit for the quarter	-	-	-	-	-	-	-	1,458	1,458	66	1,524
Other comprehensive loss											
Foreign currency translation arising from consolidation	-	-	-	-	(463)	-	-	-	(463)	(22)	(485)
Total comprehensive (loss)/income	-	-	-	-	(463)	-	-	1,458	995	44	1,039
Treasury shares reissued pursuant to employee share option plan	-	253	-	-	-	(216)	-	-	37	-	37
Transfer from retained earnings to statutory reserve fund	-	-	-	-	-	-	13	(13)	-	-	-
	-	253	-	-	-	(216)	13	(13)	37	-	37
Balance at 31 March 2012	**67,982**	**(4,854)**	**911**	**186**	**18,253**	**(1,261)**	**10,766**	**76,090**	**168,073**	**815**	**168,888**
Net profit for the quarter	-	-	-	-	-	-	-	4,072	4,072	14	4,086
Other comprehensive income/(loss)											
Foreign currency translation arising from consolidation	-	-	-	-	27	-	-	-	27	(11)	16
Total comprehensive income	-	-	-	-	27	-	-	4,072	4,099	3	4,102
Treasury shares reissued pursuant to employee share option plan	-	184	-	-	-	(156)	-	-	28	-	28
Dividends on ordinary shares	-	-	-	-	-	-	-	(3,211)	(3,211)	-	(3,211)
	-	184	-	-	-	(156)	-	(3,211)	(3,183)	-	(3,183)
Balance at 30 June 2012	**67,982**	**(4,670)**	**911**	**186**	**18,280**	**(1,417)**	**10,766**	**76,951**	**168,989**	**818**	**169,807**
Net profit for the quarter	-	-	-	-	-	-	-	1,382	1,382	39	1,421
Other comprehensive (loss)/income											
Foreign currency translation arising from consolidation	-	-	-	-	(34)	-	-	-	(34)	9	(25)
Total comprehensive (loss)/income	-	-	-	-	(34)	-	-	1,382	1,348	48	1,396
Balance at 30 September 2012	**67,982**	**(4,670)**	**911**	**186**	**18,246**	**(1,417)**	**10,766**	**78,333**	**170,337**	**866**	**171,203**
Net profit for the quarter	-	-	-	-	-	-	-	748	748	26	774
Other comprehensive income/(loss)											
Foreign currency translation arising from consolidation	-	-	-	-	140	-	-	-	140	(43)	97
Total comprehensive income/(loss)	-	-	-	-	140	-	-	748	888	(17)	871
Transfer from retained earnings to statutory reserve fund	-	-	-	-	-	-	553	(553)	-	-	-
Balance at 31 December 2012	**67,982**	**(4,670)**	**911**	**186**	**18,386**	**(1,417)**	**11,319**	**78,528**	**171,225**	**849**	**172,074**

3. STATEMENTS OF CHANGES IN EQUITY (Cont'd)

Company

	Share capital	Treasury shares	Share option reserve	Capital reserve	Retained earnings	Equity, total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2013	67,982	(4,670)	911	(1,417)	64,074	126,880
Net loss for the quarter, representing total comprehensive loss for the quarter	-	-	-	-	(204)	(204)
Treasury shares reissued pursuant to employee share option plan	-	160	-	(136)	-	24
Balance at 31 March 2013	**67,982**	**(4,510)**	**911**	**(1,553)**	**63,870**	**126,700**
Net loss for the quarter, representing total comprehensive loss for the quarter	-	-	-	-	(1,303)	(1,303)
Treasury shares reissued pursuant to employee share option plan	-	317	-	(270)	-	47
Dividends on ordinary shares	-	-	-	-	(1,637)	(1,637)
	-	317	-	(270)	(1,637)	(1,590)
Balance at 30 June 2013	**67,982**	**(4,193)**	**911**	**(1,823)**	**60,930**	**123,807**
Net loss for the quarter, representing total comprehensive loss for the quarter	-	-	-	-	(273)	(273)
Treasury shares reissued pursuant to employee share option plan	-	73	-	(62)	-	11
Balance at 30 September 2013	**67,982**	**(4,120)**	**911**	**(1,885)**	**60,657**	**123,545**
Net loss for the quarter, representing total comprehensive loss for the quarter	-	-	-	-	(29,667)	(29,667)
Treasury shares reissued pursuant to employee share option plan	-	42	-	(36)	-	6
Balance at 31 December 2013	**67,982**	**(4,078)**	**911**	**(1,921)**	**30,990**	**93,884**
Balance at 1 January 2012	67,982	(5,107)	911	(1,045)	66,103	128,844
Net loss for the quarter, representing total comprehensive loss for the quarter	-	-	-	-	(551)	(551)
Treasury shares reissued pursuant to employee share option plan	-	253	-	(216)	-	37
Balance at 31 March 2012	**67,982**	**(4,854)**	**911**	**(1,261)**	**65,552**	**128,330**
Net profit for the quarter, representing total comprehensive income for the quarter	-	-	-	-	147	147
Treasury shares reissued pursuant to employee share option plan	-	184	-	(156)	-	28
Dividends on ordinary shares	-	-	-	-	(3,211)	(3,211)
	-	184	-	(156)	(3,211)	(3,183)
Balance at 30 June 2012	**67,982**	**(4,670)**	**911**	**(1,417)**	**62,488**	**125,294**
Net profit for the quarter, representing total comprehensive income for the quarter	-	-	-	-	104	104
Balance at 30 September 2012	**67,982**	**(4,670)**	**911**	**(1,417)**	**62,592**	**125,398**
Net profit for the quarter, representing total comprehensive income for the quarter	-	-	-	-	1,482	1,482
Balance at 31 December 2012	**67,982**	**(4,670)**	**911**	**(1,417)**	**64,074**	**126,880**

4. CONSOLIDATED CASH FLOW STATEMENT

	The Group 3 months ended 31 Dec 2013 US$'000	The Group 3 months ended 31 Dec 2012 US$'000	The Group 12 months ended 31 Dec 2013 US$'000	The Group 12 months ended 31 Dec 2012 US$'000
Operating activities				
Net profit for the period/year	506	774	758	7,805
Adjustments for :				
Income tax expense	1,562	447	3,892	6,494
Depreciation on property, plant and equipment	1,533	1,954	6,605	7,613
Amortisation of intangible assets	354	516	1,721	1,984
Net (gain)/loss on disposal of property, plant and equipment	(259)	57	(1,643)	122
Goodwill written off	-	-	-	9
Interest income	(65)	(54)	(235)	(652)
Interest expense	725	1,207	3,590	4,416
Property, plant and equipment written off	2	-	541	-
Gain on disposal of subsidiary	-	-	-	(21)
Warranty expense	3,070	2,391	11,080	10,348
Net fair value loss/(gain) on foreign exchange derivative instruments	727	(530)	292	4,002
Unrealised foreign exchange translation differences	592	290	2,495	(46)
Operating cash flows before changes in working capital:	8,747	7,052	29,096	42,074
Inventories	7,511	(8,708)	51,384	(36,894)
Trade and other receivables, deposits and prepayments	(5,526)	5,405	(1,534)	(3,769)
Provision for warranty	(3,437)	(3,407)	(11,238)	(10,246)
Trade and other payables	13,222	(9,361)	(2,389)	588
Cash flows generated from/(used in) operations	20,517	(9,019)	65,319	(8,247)
Income taxes paid	(463)	(1,119)	(3,695)	(8,582)
Net cash flows generated from/(used in) operating activities	**20,054**	**(10,138)**	**61,624**	**(16,829)**
Investing activities				
Net cash inflow on acquisition of a subsidiary	-	-	-	189
Net cash inflow on disposal of a subsidiary	-	-	-	42
Proceeds from disposal of property, plant and equipment	301	21	2,216	154
Purchase of property, plant and equipment	(946)	(1,284)	(2,642)	(4,430)
Purchase of intangible assets	-	(557)	(1,546)	(1,056)
Interest received	65	54	235	652
Net cash flows used in investing activities	**(580)**	**(1,766)**	**(1,737)**	**(4,449)**
Financing activities				
Interest paid	(725)	(1,207)	(3,590)	(4,416)
Repayment of obligation under finance leases	-	(2)	-	(49)
Repayment of bank term loans	(10,242)	(2,341)	(17,109)	(24,421)
(Repayment of)/proceeds from short term borrowings	(4,380)	(2,674)	(43,763)	41,850
Proceeds from re-issuance of treasury shares	6	-	88	65
Dividends paid to shareholders of the Company	-	-	(1,637)	(3,211)
Net cash flows (used in)/generated from financing activities	**(15,341)**	**(6,224)**	**(66,011)**	**9,818**
Net increase/(decrease) in cash and cash equivalents	**4,133**	**(18,128)**	**(6,124)**	**(11,460)**
Effect of exchange rate changes on cash and cash equivalents	65	71	246	28
Cash and cash equivalents at the beginning of the financial period/year	66,603	94,736	76,679	88,111
Cash and cash equivalents at the end of the financial period/year [(1)]	**70,801**	**76,679**	**70,801**	**76,679**
Free Cash Flow[(2)]	**19,108**	**(11,979)**	**57,436**	**(22,315)**

Notes:

(1) Cash and cash equivalents comprise cash on hand, deposits with banks, net of bank overdrafts.

(2) Free cash flow is defined as net cash generated from operating activities less capital expenditure.

4. CONSOLIDATED CASH FLOW STATEMENT (Cont'd)

On 12 January 2012 (the "Acquisition Date"), the Company acquired 100% of the quota capital of Corium Italia S.R.L. ("Corium"). Corium is a company incorporated in Italy engaged in product development, design, manufacturing and sales.

The fair value of the identifiable assets and liabilities of Corium as at the Acquisition Date were:

	Note	2012 US$'000
Current assets		
Cash and short-term deposits *		189
Trade and other receivables		739
Inventories		237
		1,165
Non-current assets		
Property, plant and equipment		14
Intangible assets	5F	4
		18
Total assets		**1,183**
Current liabilities		
Trade and other payables		952
Current income tax liabilities		42
		994
Total liabilities		**994**
Total identifiable net assets at fair value		189
Goodwill arising from acquisition		9
		198
<u>Consideration transferred for the acquisition of Corium</u>		
Deferred cash settlement recorded as other payables		198
Total consideration transferred		**198**
<u>Effect of the acquisition of Corium on cash flows</u>		
Total consideration for 100% equity interest acquired		198
Less: Deferred cash settlement		(198)
Consideration settled in cash		-
Less : Cash and short-term deposits of subsidiary acquired *		(189)
Net cash inflow on acquisition		**189**

4. CONSOLIDATED CASH FLOW STATEMENT (Cont'd)

On 13 June 2012, the Company's subsidiary, Domicil Möbel GmbH ("DMG") disposed of its entire interest in the capital of its wholly-owned subsidiary, Domicil Furnishing Wien GmbH ("DFG") (the "Disposal") to its franchisee in Vienna. The Disposal was made pursuant to and in line with the Group's change of business model for the Domicil Home business to focus on building a franchise retail concept with strong brand management and product development.

The carrying amounts of the identifiable assets and liabilities of DFG as at the date of disposal and the cash flow effect of the disposal were:

	2012 US$'000
Current assets	
Cash and short-term deposits **	3
Trade and other receivables	86
Inventories	406
	495
Non-current assets	
Property, plant and equipment	**92**
Total assets	**587**
Current liabilities	
Trade and other payables	**563**
Total liabilities	**563**
Net assets disposed of	**24**
<u>**Effect of the disposal of DFG on cash flows**</u>	
Net assets disposed of	24
Add: Gain on disposal of subsidiary	21
Cash proceeds from disposal	45
Less : Cash and short-term deposits of subsidiary disposed of **	(3)
Net cash inflow on disposal	**42**

5. NOTES TO THE FINANCIAL STATEMENTS

A. Operating profit before net finance income and expense and net foreign exchange (loss)/gain

This is arrived at after charging/(crediting) the following:

	The Group 3 months ended 31 Dec		The Group 12 months ended 31 Dec	
	2013	2012	2013	2012
	US$'000	US$'000	US$'000	US$'000
Depreciation on property, plant and equipment	1,533	1,954	6,605	7,613
Amortisation of intangible assets	354	516	1,721	1,984
Total depreciation and amortisation	1,887	2,470	8,326	9,597
Allowance made for impairment of trade receivables	339	383	568	1,403
Bad trade debts written off	25	3	176	5
Allowance made for slow moving and obsolete inventories	536	258	1,228	1,170
Warranty and claim expenses	3,829	2,916	13,344	12,178
Employee benefits	21,085	23,192	86,876	90,891
Property, plant and equipment written off	2	-	541	-
Goodwill written off	-	-	-	9
Net (gain)/loss on disposal of property, plant and equipment	(259)	57	(1,643)	122

B. Half yearly analysis

	The Group Latest Financial Year 31/12/2013 US$'000	Previous Financial Year 31/12/2012 US$'000	Change %
Sales reported for first half year	272,153	297,173	(8.4)
Profit after tax before deducting non-controlling interest reported for first half year	154	5,610	(97.3)
Sales reported for second half year	262,112	286,132	(8.4)
Profit after tax before deducting non-controlling interest reported for second half year	604	2,195	(72.5)

5. NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

C. Income tax expense

	The Group 3 months ended 31 Dec		The Group 12 months ended 31 Dec	
	2013	2012	2013	2012
	US$'000	US$'000	US$'000	US$'000
Tax expense attributable to profit is made up of:				
Current income taxes:				
- Current income tax	652	812	2,946	6,750
- Under provision in respect of previous years	13	97	173	251
Deferred income taxes:				
- Current deferred tax	674	(458)	650	(503)
- Under/(over) provision in respect of previous years	35	(4)	(65)	(4)
Witholding taxes [1]	188	-	188	-
	1,562	**447**	**3,892**	**6,494**

Note:

1. These represent withholding tax paid on the dividends declared by a subsidiary in China.

Due to lower profitability, the Group's income tax expense decreased from US$6.5 million in 2012 to US$3.9 million in 2013. Nonetheless, the effective tax rate for 2013 was higher than last year due to losses from certain subsidiaries which could not be utilised to offset against the profits generated by other subsidiaries.

D. Inventories

	The Group	
	31 Dec 2013	31 Dec 2012
	US$'000	US$'000
Raw materials	70,109	102,263
Work-in-progress	22,562	25,717
Finished goods	62,112	78,187
	154,783	206,167

E. Investments in subsidiaries

Movement in investments in subsidiaries shown under the Company's balance sheet reflect mainly the recognition of their respective impairment losses based on the value-in-use computation method. Investments in subsidiaries are assessed for impairment for any objective evidence or indication that these assets may be impaired or any indication that the previous impaired amounts have decreased or no longer exists.

The above impairment losses have no impact to the Group's results.

5. NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

F. Intangible assets

	Goodwill on Acquisition	IP Rights	Computer Software Licenses & Development Costs	Total
	US$'000	US$'000	US$'000	US$'000
Group				
Cost				
At 1 January 2012	**661**	**13,140**	**8,450**	**22,251**
Additions	-	-	1,056	1,056
Acquisition of a subsidiary	-	-	4	4
Exchange rate adjustments	14	-	1	15
At 31 December 2012 and 1 January 2013	**675**	**13,140**	**9,511**	**23,326**
Additions	-	-	1,546	1,546
Exchange rate adjustments	29	-	(145)	(116)
At 31 December 2013	**704**	**13,140**	**10,912**	**24,756**
Accumulated amortisation				
At 1 January 2012	**-**	**4,106**	**6,533**	**10,639**
Charge for the financial year	-	653	1,331	1,984
At 31 December 2012 and 1 January 2013	**-**	**4,759**	**7,864**	**12,623**
Charge for the financial year	-	653	1,068	1,721
Exchange rate adjustments	-	-	(24)	(24)
At 31 December 2013	**-**	**5,412**	**8,908**	**14,320**
Net book value				
At 31 December 2012	**675**	**8,381**	**1,647**	**10,703**
At 31 December 2013	**704**	**7,728**	**2,004**	**10,436**

5. NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

G. Loans and borrowings

	The Group	
	31 Dec 2013	31 Dec 2012
	US$'000	US$'000
Current		
Trust receipts and bank bill payables	49,531	76,258
Bank term loans	8,991	9,178
Short-term bank loans	36,133	52,877
	94,655	138,313
Non-current		
Bank term loans	3,134	20,348
Total loans and borrowings	97,789	158,661

The Group's total loans and borrowings are unsecured except for the bank term loans of a subsidiary with a carrying amount of US$0.8 million that are secured by the subsidiary's freehold land and building.

H. Share capital

	No of ordinary shares		Amount	
	Issued share capital	Treasury shares	Share capital	Treasury shares
	'000	'000	US$'000	US$'000
At 1 January 2013	416,563	(12,358)	67,982	(4,670)
Reissued pursuant to employee share option plans:				
- For cash on exercise of employee share options	-	1,567	-	88
- Loss transferred to capital reserve	-	-	-	504
	-	1,567	-	592
At 31 December 2013	416,563	(10,791)	67,982	(4,078)
At 1 January 2012	416,563	(13,513)	67,982	(5,107)
Reissued pursuant to employee share option plans:				
- For cash on exercise of employee share options	-	1,155	-	65
- Loss transferred to capital reserve	-	-	-	372
	-	1,155	-	437
At 31 December 2012	416,563	(12,358)	67,982	(4,670)

Treasury shares

The Company is authorised by the shareholders to buy up to 10% of the ordinary shares of the Company. Acquired shares are held as treasury shares and presented as a separate component within shareholders' equity. The Company did not purchase treasury shares during the financial year.

The Company reissued 1,566,300 (31 December 2012: 1,154,950) treasury shares during the financial year pursuant to the HTL International Holdings Limited Share Option Plan 2002 at the weighted average exercise price of US$0.06 (31 December 2012: US$0.06) each for a cash consideration of US$88,000 (31 December 2012: US$65,000).

5. NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

H. Share capital (Cont'd)

Share options

HTL International Holdings Limited Share Option Plan 2002

During the financial year, the Company has not issued any new share options.

Details of the share options to subscribe for ordinary shares of the Company that remains outstanding as at 31 December 2013 are as follows:

	Aggregate options granted since commencement of scheme	Aggregate options exercised since commencement of scheme	Aggregate options lapsed since commencement of scheme	Aggregate options outstanding at end of financial year	Exercise price	Exercise Period
2004 Options	4,502,250	1,538,250	1,610,250	1,353,750	S$0.82	19.6.2005 - 18.6.2014
2009 Options	7,120,000	5,807,500	777,500	535,000	S$0.07	26.2.2010 - 26.2.2019
	11,622,250	7,345,750	2,387,750	1,888,750		

I. Earnings per share

	3 months ended 31 Dec 2013	3 months ended 31 Dec 2012	12 months ended 31 Dec 2013	12 months ended 31 Dec 2012
Earnings per share (US cents)				
- Basic	0.12	0.19	0.17	1.90
- Diluted	0.12	0.18	0.17	1.89

Basic earnings per share is calculated by dividing the net profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the respective financial period/year.

For the purpose of calculating the diluted earnings per share, the net profit attributable to owners of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. As at 31 December 2013, the Company has only one category of dilutive potential ordinary shares which is share options. In the computation of diluted net earnings per share, if the effect of outstanding share options is anti-dilutive, this is disregarded.

For the share options, the weighted average number of shares is adjusted as if all dilutive share options were exercised. The number of shares that could have been issued upon the exercise of all dilutive share options less the number of shares that could have been issued at fair value (determined as the Company's average share price during the financial period/year) for the same total proceeds is added to the denominator as the number of shares issued for no consideration with no adjustment made to the net profit – numerator.

5. NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

I. Earnings per share (Cont'd)

	3 months ended 31 Dec		12 months ended 31 Dec	
	2013	2012	2013	2012
	US$'000	US$'000	US$'000	US$'000
Net profit attributable to owners of the Company used to determine basic and diluted earnings per share	492	748	685	7,660
	No. of shares	No. of shares	No. of shares	No. of shares
	'000	'000	'000	'000
Weighted average number of ordinary shares used in the calculation of basic earnings per share	405,061	403,493	405,210	403,908
Adjustment for assumed conversion of share options	968	2,305	847	2,001
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	406,029	405,798	406,057	405,909
Diluted earnings per share (US cents)	0.12	0.18	0.17	1.89

J. Net asset per share

	The Group		The Company	
	As at 31 Dec 2013	As at 31 Dec 2012	As at 31 Dec 2013	As at 31 Dec 2012
Net asset value per ordinary share based on issued share capital as at the end of the respective year (US cents) *	42.62	42.36	23.14	31.39

* Based on issued share capital of 405,772,018 ordinary shares (excluding treasury shares) as at 31 December 2013 and 404,205,718 ordinary shares (excluding treasury shares) as at 31 December 2012.

6. AUDIT

The figures have not been audited or reviewed by our auditors.

7. AUDITOR'S REPORT

Not applicable.

8. ACCOUNTING POLICIES

Except as disclosed in paragraph 9 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year compared with those of audited financial statements as at 31 December 2012.

9. CHANGES IN THE ACCOUNTING POLICIES

The Group adopted the new/revised Singapore Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2013.

The adoption of these new/revised FRS did not have any material impact on the financial statements of the Group.

10. REVIEW OF GROUP PERFORMANCE

Overview

	Q1 2013 US$'000	Q2 2013 US$'000	Q3 2013 US$'000	Q4 2013 US$'000	(A) YTD Dec FY 2013 US$'000	Q4 2012 US$'000	(B) YTD Dec FY 2012 US$'000	(C) = (A) - (B) Changes US$'000	%
Sofa Business Unit ("Sofa BU")									
- External	121,084	140,248	117,246	133,581	512,159	131,674	552,331	(40,172)	-7.3%
- Internal	2,049	2,651	2,734	4,319	11,753	2,397	11,104	649	
	123,133	**142,899**	**119,980**	**137,900**	**523,912**	**134,071**	**563,435**	**(39,523)**	
Leather Business Unit ("Leather BU")									
- Internal	**42,581**	**42,305**	**39,341**	**42,382**	**166,609**	**48,537**	**192,473**	**(25,864)**	-13.4%
Home Furnishing Business Unit ("HFBU")									
- External	5,316	5,505	4,807	6,478	22,106	6,230	30,974	(8,868)	-28.6%
- Internal	146	85	73	56	360	50	452	(92)	
	5,462	**5,590**	**4,880**	**6,534**	**22,466**	**6,280**	**31,426**	**(8,960)**	
Less : Inter-segment sales	(44,776)	(45,041)	(42,148)	(46,757)	(178,722)	(50,984)	(204,029)	25,307	
Group Turnover	**126,400**	**145,753**	**122,053**	**140,059**	**534,265**	**137,904**	**583,305**	**(49,040)**	-8.4%

Notes:

(i) Core Business comprises the Sofa, Leather Business Units ("BU") and Corporate Office

(ii) Q1, Q2, Q3 and Q4 2013/2012 – three months ended 31 March, 30 June, 30 September and 31 December 2013/2012, respectively

(iii) SG&A – represents the aggregate of total sales, marketing, distribution and administrative expenses

Q4 2013 vs. Q4 2012

Turnover

Revenue started to pick up in Q4 2013 and grew by 1.6% to US$140.1 million compared to Q4 2012. The growth mainly came from higher sales to the United States ("US") and Australia and New Zealand ("ANZ"), partially offset by lower sales to Europe.

Profitability

The Group managed to almost maintain its GP margin, at 30.7% (Q4 2012: 30.9%). The benefit from selling price increases was negated by the impact of increased raw materials and labour costs in China.

Despite higher sales, SG&A reduced by 4.1% to US$40.9 million in Q4 2013, primarily on the back of tighter cost control.

Consequently, the Group posted higher operating profit before net foreign exchange loss and tax of US$4.1 million in Q4 2013 compared to US$0.9 million posted in Q4 2012.

In the volatile foreign exchange market, the Group reported a net foreign exchange loss of US$2.0 million in Q4 2013 compared to a gain of US$0.3 million in Q4 2012. The US$2.0 million loss in Q4 2013 was largely attributable to translation of bank balances and unrealised mark-to-market loss on foreign exchange contracts.

10. REVIEW OF GROUP PERFORMANCE (Cont'd)

Q4 2013 vs. Q4 2012 (Cont'd)

Profitability (Cont'd)

Income tax expense increased by US$1.1 million to US$1.6 million in Q4 2013, mainly due to higher profitability coupled with losses from certain subsidiaries that could not be utilised to offset against the profits generated by other subsidiaries.

With higher foreign exchange loss and income tax expense, the Group's net profit fell from US$0.8 million in Q4 2012 to US$0.5 million in Q4 2013.

2013 vs. 2012

Turnover

Uncertainty in the global economic recovery particularly in Europe continued to weigh on consumer spending on high value and discretionary goods like furniture.

HTL's turnover declined by 8.4% from US$583.3 million in 2012 to US$534.3 million in 2013. The US$49.0 million drop in turnover was largely due to weak market sentiments in Europe and weaker Japanese Yen and Australian Dollar against the USD. This was partially offset by increased sales in ANZ and the US.

Profitability

The Group's GP margin dipped from 32.5% in 2012 to 31.3% in 2013, as a result of higher raw material prices and production costs in China, partially mitigated by an increase in average selling price.

Notwithstanding lower suppliers rebate received by Domicil Home in Germany, other operating income improved by 16.4% to US$10.8 million, largely due to a US$1.4 million gain on disposal of a piece of land in Malaysia.

SG&A fell by 8.5% to US$165.7 million in 2013, in line with the decline in turnover.

Other operating expenses rose from US$0.7 million in 2012 to US$1.8 million in 2013, mainly from write off of renovation costs upon closure of a retail store in Shanghai.

Combination of the above resulted in reducing the Group's operating profit before net foreign exchange loss and tax to US$7.1 million in 2013 from US$13.2 million in 2012.

The Group recorded a net foreign exchange loss of US$2.5 million in 2013 compared to a gain of US$1.1 million in 2012. This was largely attributable to unrealised foreign exchange loss on translation of bank balances and lower realised gain on delivery of foreign exchange contracts.

With lower profitability, the Group's income tax expense reduced by 40.1% to US$3.9 million. The effective tax rate for 2013, however, was higher than last year due to losses from certain subsidiaries which could not be utilised to offset against the profits generated by other subsidiaries.

Overall, the Group posted a marginal profit of US$0.8 million in 2013 compared to US$7.8 million in 2012.

10. REVIEW OF GROUP PERFORMANCE (Cont'd)

Analysis by Major Business Units ("BU")

	Core Business [1]			Home Furnishing		
	12 months ended 31 Dec		Change	12 months ended 31 Dec		Change
	2013	2012	%	2013	2012	%
	US$'000	US$'000		US$'000	US$'000	
Revenue (exclude inter-segment sales)	512,159	552,331	(7.3)	22,106	30,974	(28.6)
Operating profit/(loss) before net foreign exchange (loss)/gain	10,499	16,587	(36.7)	(3,377)	(3,421)	(1.3)
EBITDA before net foreign exchange (loss)/gain	21,312	28,470	(25.1)	(2,509)	(1,943)	29.1
Net profit/(loss) for the year	4,219	11,118	(62.1)	(3,461)	(3,313)	4.5
Net margin	0.8%	2.0%		-15.7%	-10.7%	
Total net foreign exchange (loss)/gain	(2,552)	1,178		80	(45)	

Note:

1. Core Business comprises the Sofa, Leather BU and Corporate Office.

Core Business

Sofa BU - Revenue by Regions

	12 months ended 31 Dec		Change	
	2013	2012		
	US$'000	US$'000	US$'000	%
Asia (excluding Greater China)	70,415	70,190	225	0.3
Greater China	4,153	5,372	(1,219)	(22.7)
Europe	214,210	262,732	(48,522)	(18.5)
North America	137,720	136,277	1,443	1.1
ANZ	84,149	76,082	8,067	10.6
Others	1,512	1,678	(166)	(9.9)
Total *	512,159	552,331	(40,172)	(7.3)

* Exclude inter-segment sales

Sofa BU posted lower revenue of US$512.2 million compared to US$552.3 million in last year. The 7.3% decline came predominantly from our key European market as a result of weak market conditions. Weaker Japanese Yen and Australian Dollar against US Dollar also contributed to the lower turnover.

Europe remained our largest market, accounting for 41.8% (2012: 47.6%) of the Core Business's turnover, followed by North America (26.9%), ANZ (16.4%) and Asia (13.7%).

With lower revenue and higher input costs, our Core Business' operating profit before net foreign exchange (loss)/gain and tax fell by 36.7% from US$16.6 million in 2012 to US$10.5 million in 2013.

10. REVIEW OF GROUP PERFORMANCE (Cont'd)

Home Furnishing BU ("HFBU")

HFBU posted a 28.6% drop in revenue to US$22.1 million in 2013 against US$31.0 million in 2012, due to weak retail conditions in Europe coupled with lower revenue from franchisees and less owned stores in Germany.

Even with lower revenue, HFBU's operating loss before net foreign exchange gain and tax of US$3.4 million in 2013 remained at about the same level as in 2012.

A new international concept and range of products were introduced in late 2013 to invigorate the market positioning, branding, store concepts, product portfolio and supply chain of Domicil.

Liquidity, financial and working capital resources

The Group had strengthened its balance sheet amidst the challenging business environment.

Trade and other receivables increased by US$3.2 million from US$62.8 million to US$66.0 million due to higher sales in Q4 2013 and lower factoring without recourse. The average day sales outstanding ("DSO") as at 31 December 2013 remained relatively stable at 1.5 months (31 December 2012: 1.3 months).

Inventory decreased significantly by US$51.4 million from US$206.2 million to US$154.8 million, primarily due to the less purchasing activities as a result of utilisation of the buffer inventories in hand. Consequently, the outstanding days in inventory ("DIO") as at 31 December 2013 improved to 5.1 months (31 December 2012: 6.3 months).

Trade and other payables reduced by US$2.4 million from US$86.4 million to US$84.0 million mainly due to lower procurement activities. The average day payables outstanding ("DPO") as at 31 December 2013 remained fairly constant at 2.8 months (31 December 2012: 2.6 months).

The Group's net borrowings (loans and borrowings less cash and short term deposits) decreased significantly by US$55.0 million from US$82.0 million as at 31 December 2012 to US$27.0 million as at 31 December 2013, mainly due to lower utilisation of banking facilities to finance the leather procurement activities. Consequently, net gearing improved substantially to 15.6% (31 December 2012: 47.9%) and the Group reported a positive free cash flow ("FCF") of US$57.4 million in 2013 compared to a negative FCF of US$22.3 million in 2012.

11. VARIANCE FROM PROSPECT STATEMENT

No prospect statement was previously provided.

12. OUTLOOK

While there are tentative signs of economic recovery in various major countries worldwide, notably the US and Europe, consumer confidence generally remains weak. The challenging operating conditions for the Group in 2013 still persist. Notwithstanding this, the Group will sharpen its focus on managing escalating input costs and volatile forex, and continue to improve its operational efficiency and competitiveness.

13. KEY BUSINESS RISKS

Macro Risks

Commodity risks

Raw leather hide is the principal raw material in the Group's upholstered furniture accounting for almost half of the sofa upholstery cost. As such, the cost of upholstered furniture is exposed to fluctuations in the price of cattle raw hide. The supply of cattle raw hide is principally dependent on the consumption of beef. The cattle industry is also exposed to veterinary health issues like foot-and-mouth and mad cow disease, which will have an impact on the slaughter rate of cattle. Fluctuations in the price of raw leather hides will significantly affect operating margins.

Cyclical demand for furniture

Historically, the furniture industry has been cyclical, fluctuating with economic cycles and is sensitive to general economic conditions, housing starts, interest rate levels, credit availability and other factors that affect consumer spending habits. As most furniture purchases are discretionary in nature and may represent a significant expenditure to the average consumer, such purchases may be deferred during times of economic uncertainty. Any prolonged global economic slowdown may have an adverse effect on the Group's operating results.

Seasonal operations

The Group's sale of leather upholstered furniture is subject to seasonal variations given the increased contribution from the combined Europe and US markets which now account for almost 70% of the Group's turnover. In general, shipment of goods will be lower from July to August (i.e. the summer months) relative to shipments for other months in a calendar year. Hence, the Group's turnover will experience seasonality effect which may cause short term fluctuations on the Group's performance.

Changes in the regulations of The People's Republic of China ("PRC") relating to export Value Added Tax ("VAT") rebates and import duties

In order to reduce its massive trade surplus, the PRC government has gradually reduced its export VAT rebates for many business sectors. Effective from 1 July 2007, export VAT rebates for the Group's product segments had been reduced for finished leather, from 8% to nil and for sofa upholstery from 13% to 11%. With effect from 1 June 2009, the export VAT rebate for the sofa upholstery was temporarily reinstated to 15%. Should the PRC government revises the effective export VAT rebates downwards, this would adversely impact the Group's operating margins.

Changes in the PRC processing trade policy

Since 2006, the PRC government has been introducing changes to the processing trade policy, such as moving certain widely used materials to the prohibited category, aimed at restricting the production and export of high pollution, high energy consumption and resource consuming products. In its latest policy switch in July 2007, the government requested that enterprises engaged in the processing trade industry in the prohibited category pay a mandatory duty deposit for imported raw materials. At this juncture, the Group's products have been exempted from this prohibited category. Any changes to expand the classification of the prohibited category to include the Group's products may impact the Group's cash flow and incur increased financial costs.

Environmental risk

The production of leather is generally pollutive. As the PRC government is tightening its environmental protection policy, the Group's production activities may be put under close scrutiny. The Group has always observed a high standard of social and environmental responsibility, and welcomes the PRC government's new initiatives. However, it is possible that further investments may be needed to upgrade the Group's waste treatment facilities and this will in turn increase production costs.

13. KEY BUSINESS RISKS (Cont'd)

Macro Risks (Cont'd)

Company Risks

Foreign exchange risks

The global financial markets remain volatile. The Group primarily transacts in US Dollar which is also its primary functional currency. The Group also transacts in other major foreign currencies like Japanese Yen, Sterling Pound, Euro and Australian Dollar. Majority of the Group's operations are also sited outside of Singapore notably China. Consequently, any movement between Renminbi (RMB) and US Dollar will also affect the Group's currency exposure risks. Therefore, any significant adverse movements in the major trading currencies against US Dollar will have an impact on the Group's performance. The Group actively monitors and hedges its foreign currency exchange exposure by using relevant foreign exchange forward contracts and options to hedge its cash flow and margins. Where appropriate, the Group will borrow in the same currency to provide a natural hedge for balance sheet items.

Vulnerable to freight rate increases

The Group exports its upholstery products to more than 50 countries across 6 continents and relies on shipping companies for the shipment of its products to these countries. As such, one of the costs that the Group will bear when it sells on Cost, Insurance and Freight (CIF), Delivered Duty Unpaid (DDU) or Cost and Freight (CFR) terms or where it purchases on Free on Board (FOB) term, is freight costs. The freight market has been extremely volatile and changes in oil prices will also have an effect on freight rates. If freight rates are high, the Group's distribution costs will increase and operating margins can be affected. The Group has no control over the supply and demand of freight services and therefore, it is difficult for the Group to manage its freight costs. The Group will endeavour to factor in an appropriate amount of the expected freight rate increases in the quotation of sales price to customers.

14. DIVIDEND

(i) Current financial year - None

(ii) Corresponding period of the immediately preceding financial year – Final cash of 0.5 Singapore cent per ordinary share (tax-exempt-Tier 1)

(iii) Date payable - Not applicable

(iv) Books closure date - Not applicable

15. SEGMENTAL INFORMATION

	Sofa US$'000	Leather US$'000	Home Furnishing US$'000	Corporate US$'000	Elimination US$'000	Group US$'000
Financial year ended 31 December 2013						
Revenue						
External sales	512,159	-	22,106	-	-	534,265
Inter-segment sales	11,753	166,609	360	-	(178,722)	-
Total revenue	523,912	166,609	22,466	-	(178,722)	534,265
Segment results	9,462	5,385	(3,356)	(1,014)	-	10,477
Finance income						235
Finance expense						(3,590)
Net foreign exchange loss						(2,472)
Income tax expense						(3,892)
Net profit for the year						758
Segment assets	216,521	111,484	27,389	3,201	-	358,595
Tax assets						5,693
Consolidated total assets						364,288
Segment liabilities	(72,433)	(11,438)	(4,873)	(1,361)	-	(90,105)
Loans and borrowings						(97,789)
Tax liabilities						(2,594)
Consolidated total liabilities						(190,488)
Other segment items						
Addition to non-current assets						
- property, plant and equipment	1,332	577	733	-	-	2,642
- intangible assets	1,546	-	-	-	-	1,546
Depreciation	4,323	2,094	188	-	-	6,605
Amortisation	677	385	659	-	-	1,721

15. SEGMENTAL INFORMATION (Cont'd)

Financial year ended 31 December 2012	Sofa US$'000	Leather US$'000	Home Furnishing US$'000	Corporate US$'000	Elimination US$'000	Group US$'000
Revenue						
External sales	552,331	-	30,974	-	-	583,305
Inter-segment sales	11,104	192,473	452	-	(204,029)	-
Total revenue	563,435	192,473	31,426	-	(204,029)	583,305
Segment results	8,852	11,979	(3,359)	(542)	-	16,930
Finance income						652
Finance expense						(4,416)
Net foreign exchange gain						1,133
Income tax expense						(6,494)
Net profit for the year						7,805
Segment assets	230,318	159,672	26,648	3,253	-	419,891
Tax assets						6,181
Consolidated total assets						426,072
Segment liabilities	(71,460)	(13,331)	(6,103)	(1,466)	-	(92,360)
Loans and borrowings						(158,661)
Tax liabilities						(2,977)
Consolidated total liabilities						(253,998)
Other segment items						
Addition to non-current assets						
- property, plant and equipment	3,349	867	214	-	-	4,430
- intangible assets	1,055	-	1	-	-	1,056
Depreciation	4,706	2,648	259	-	-	7,613
Amortisation	418	409	1,157	-	-	1,984
Goodwill written off	9	-	-	-	-	9

Secondary reporting format – geographical segments

The following table shows the distribution of the Group's consolidated sales by geographical market regardless of where the products were manufactured:

	12 months ended 31 Dec 2013 US$'000	2012 US$'000	Change US$'000	%
Asia (excluding Greater China)	75,329	74,234	1,095	1.5
Greater China	4,777	6,052	(1,275)	(21.1)
Europe	226,278	284,413	(58,135)	(20.4)
North America	141,107	139,485	1,622	1.2
ANZ	84,828	77,003	7,825	10.2
Others	1,946	2,118	(172)	(8.1)
Total	534,265	583,305	(49,040)	(8.4)

15. SEGMENTAL INFORMATION (Cont'd)

The following table shows the distribution of the Group's non-current assets (excluding deferred tax assets) based on the geographical location of where the Company and its subsidiaries are located:

	Non-current assets (excluding deferred tax assets)	
	31 Dec 2013 US$'000	**31 Dec 2012** US$'000
Asia (excluding Greater China)	18,641	21,878
Europe	3,372	3,214
Greater China	33,338	36,306
Others	385	498
Total	55,736	61,896

16. REPORT OF PERSONS OCCUPYING MANAGERIAL POSITIONS WHO ARE RELATED TO A DIRECTOR, CHIEF EXECUTIVE OFFICER OR SUBSTANTIAL SHAREHOLDER

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Phua Yong Pin	66	Brother of Phua Yong Sin and Phua Yong Tat.	Group Chairman since 1989. Responsible for the Group's China operations, production process improvement and special plant projects.	N.A.
Phua Yong Sin	64	Brother of Phua Yong Pin and Phua Yong Tat.	Deputy Group Chairman since 1989. Responsible for the Group's quality assurance and technical skills training programme.	N.A.
Phua Yong Tat	62	Brother of Phua Yong Pin and Phua Yong Sin.	Group Managing Director since 1989. Responsible for the overall management of the Group.	N.A.
Phua Mei Ming	36	Daughter of Phua Yong Tat.	Director, Human Resources & Communications since 1 January 2013. Responsible for human resources, communications and administrative functions.	Re-designated from Director of Human Resources to Director, Human Resources & Communications. Relinquished the role of General Manager of Domicil Pte Ltd pursuant to changes to the business structure within the Group's German business units, under which the role of General Manager of Domicil Pte Ltd has been suspended and the functions previously overseen by the General Manager have been delegated to management personnel reporting directly to the Group Managing Director.
Toh Chye Seng	54	Nephew-in-law of Phua Yong Pin.	Director, Design, with HTL Manufacturing Pte Ltd since 1981. Responsible for product design and development.	N.A.
Ho Sian Hua, Gabriel	37	Son-in-law of Phua Yong Tat.	Regional Sales Manager since 1 January 2013. Responsible for providing sales and service support to customers in the Americas and Canada markets.	Re-designated from Area Sales Manager to Regional Sales Manager.
Phua Boon Huat	33	Son of Phua Yong Sin.	Senior Manager, Strategic Planning since 20 November 2013. Responsible for strategic planning and implementation of key initiatives in the areas of foreign exchange analysis and hedging, freight negotiation, and strategy and business development of core business.	Re-designation of responsibilities in November 2013 from provision of merchandising support and sales and service support, to strategic planning and implementation, with accompanying change in title.

BY ORDER OF THE BOARD

Jacqueline Loke
Company Secretary
26 February 2014